



United States
Department of
Agriculture

Farmers
Home
Administration

National
Appeals
Staff

FmHA AN No. 1892 (1900)

3101 Park Center Drive
Alexandria, VA 22302

March 31, 1989

SUBJECT: Appeals Involving Farmers Home
Administration (FmHA) Appraisals

TO: State Directors, District Directors and
County Supervisors

PURPOSE/INTENDED OUTCOME: This Administrative Notice (AN)
clarifies FmHA appeal procedure regarding appraisals and the role
of State Directors in that appeal process.

COMPARISON WITH PREVIOUS AN: AN No. 1821 (1900) issued
November 10, 1988, addressed this subject but is hereby rescinded
due to language which may have implied that certain appraisal
societies were more acceptable than others. AN No. 1821 should
be removed.

IMPLEMENTATION RESPONSIBILITIES:

When the denial of FmHA assistance involves an appraisal, the
following language should be inserted in Exhibit B-1 to FmHA
Instruction 1900-B.

"If you do not wish to have a meeting as outlined
above, you may contest the appraisal of the property
value. In order to contest the appraisal you must
first request review of the appraisal by the FmHA
State Director. Your request for review by the
State Director should be made through our office.
You will be advised of the results of the State
Director's review. If after the State Director's
review you still disagree with the appraisal, you
may request a hearing. When you receive the
results of the State Director's review, you will
be advised on how to ask for a hearing. Your
request for review of the appraisal should be
postmarked no later than _____ (insert
_____) (date)
date 15 days from date of letter).

EXPIRATION DATE: September 30, 1989

FILING INSTRUCTIONS:
Preceding
FmHA Instruction 1900-B



Farmers Home Administration is an Equal Opportunity Lender.
Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D.C. 20250

1892(1900)

The last two sentences in the second paragraph of Exhibit B-1 should be deleted. The decision maker should substitute the name and address of the State Director instead of the Area Supervisor, National Appeals Staff (NAS).

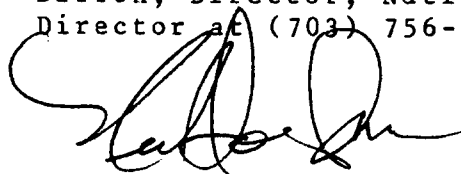
If the State Director review shows the FmHA appraisal is adequate, then Exhibit B-2 to FmHA Instruction 1900-B will be sent with the following suggested language inserted:

"At your request, we have reviewed the appraisal of the property you wish to purchase. We have determined that the value estimate of the property is both supportable and defensible (as required by FmHA regulations and appraisal industry standards) and therefore acceptable. You have the right to appeal this decision. If so desired, a request for a hearing should be sent to the Area Supervisor, National Appeals Staff, Farmers Home Administration, (insert address) postmarked no later than _____ (date)

(insert date 30 days from date of letter). You must show why the appraisal is in error. You may submit an independent appraisal, at your expense, from a qualified appraiser who is a designated member of a national appraisal society or organization requiring appraisal education, testing and experience. The appraisal must conform to Agency Appraisal regulations applicable to the loan program."

The exception concerns appraisals involving farmer program primary loan servicing. In those cases, the decision maker should inform the appellant of their appeal rights using Exhibit B-1 or Exhibit B-2, as appropriate, giving appeal rights directly to the Area Supervisor, National Appeals Staff, without requiring prior review of the appraisal by the State Director.

If you have further questions, feel free to contact Ms. Pamela Dillon, Director, National Appeals Staff, or John Gleason, Deputy Director at (703) 756-7008 or FTS 756-7008.



NEAL SOX JOHNSON
Acting Administrator